

Date Stamp Copy



REDACTED – FOR PUBLIC INSPECTION

February 14, 2014

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

ACCEPTED/FILED

FEB 14 2014

Federal Communications Commission
Office of the Secretary

Re: *Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337*

Dear Ms. Dortch:

On behalf of Rural Telephone Service d/b/a Nex-Tech ("Nex-Tech"), pursuant to the procedures outlined in the Third Protective Order adopted in the above referenced proceedings, please find enclosed for filing an original and one copy of the Public version of an Ex Parte Notice and attached confidential materials provided by Nex-Tech in the aforementioned dockets. A version containing confidential information is also being filed separately under seal with the Secretary's Office via hand-delivery. Finally, a copy of the Ex Parte Notice and the Public version of the enclosures have been submitted via ECFS.

Should you have any questions concerning the foregoing request, please contact the undersigned.

Sincerely,

/s/ Rhonda S. Goddard

Rhonda S. Goddard
Chief Operating Officer, Regulated Services

Enclosures

P.O. Box 158
145 North Main
Lenora, KS 67645
phone: 785.567.4281
toll free: 877.567.7872
fax: 785.567.4401



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Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337*

Dear Ms. Dortch:

On Wednesday, February 12, 2014, the undersigned, on behalf of Rural Telephone Service d/b/a/ Nex-Tech ("Nex-Tech"), along with Jimmy Todd, Chief Executive Officer and Mike Pollock, Chief Operating Officer, Competitive Services, met separately with: (1) Commissioner Ajit Pai, and his Legal Advisor, Nicholas Degani; (2) Commissioner Mike O'Rielly and his Senior Legal Advisor and Chief of Staff, Courtney Reinhard; and (2) Daniel Alvarez, Legal Advisor to Chairman Tom Wheeler, to discuss matters in the above-referenced proceedings. Nex-Tech provided the attached presentation in these meetings.

Standalone Broadband Support – a "Connect America Fund" for all Rural Consumers.

Nex-Tech discussed the need for technical fixes to the Commission's long-standing "no barriers" policy to ensure that consumers in rural areas can obtain the affordable fixed broadband services that are in great demand and that also provide the essential foundation for other communications services, including over-the-top voice and wireless services. Specifically, we discussed how providing support for loops that are used to provide standalone broadband services would promote and accelerate the ongoing IP evolution, and finally provide the basis for a Connect America Fund that supports broadband-capable networks that enable advanced communications and enhanced consumer choice in *all* rural areas. We discussed the importance of finding a solution to this problem in particular for Nex-Tech's consumers and its operations, as the company has tried to respond proactively to consumer demands and preferences for broadband only to suffer adverse consequences for doing so in the form of more unsupported network costs and lower voice loop counts (that drive up the company's apparent cost-per-loop despite the fact that it is actually delivering more connections to consumers).

Regulatory Uncertainty Concerns. We discussed continuing concerns with respect to regression analysis-based caps pending further clarification of the Commission's recent announcement to eliminate these caps and the underlying model. Nex-Tech explained the substantial efforts that it has made to cut costs as a result of the imposition of the caps, but expressed concern that such efforts would undermine its ability to deliver services for consumers.

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Ms. Marlene H. Dortch
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February 14, 2014

We explained Nex-Tech recently completed on-time and under budget the stimulus project that it had sought in response to the call of the administration to create jobs and deploy infrastructure – including, in some places, the replacement of decades-old lead cable that would not support quality broadband services. We further expressed concerns about the uncertainty that remains regarding how the model will be updated and/or replaced for 2014 and beyond, thereby further chilling investment in rural broadband. The meeting participants urged the Commissioners and their colleagues to ensure that greater visibility and predictability can be obtained as soon as possible.

Retransmission and Programming Fees. We explained that small rural companies such as Nex-Tech are being forced to pay exponentially increasing retransmission fees for broadcast television channels, and that is inhibiting the ability to provide affordable video service to consumers. Also, Nex-Tech's service area crosses multiple designated market areas which causes costs to be even higher in order to offer the consumer the channels they request.

Reporting Requirements. Nex-Tech highlighted the cumulative effect of reporting requirements on small service providers, noting that it was subject to *several hundred reports each year* between telecommunications regulatory reports at the federal and state levels and other federal and state governmental compliance and monitoring reports. We noted specifically that at a time when rural, rate-of-return local exchange carriers such as Nex-Tech face significant uncertainty and are being asked to “do more with much less,” and given that such carriers are already subject to significant levels of oversight unmatched elsewhere in the industry, it is incongruous to adopt and implement numerous new reporting requirements that effectively require companies to redeploy significant employee resources toward administrative reporting rather than service delivery. We acknowledged the need to ensure reasonable accountability in the use of universal service support, but we urged some rationalization of all of the various reports, audits, and other compliance requirements – especially in a time of tightening budgets and as yet even more reporting requirements come online.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter and a redacted copy of the enclosures are being filed via ECFS, while hard copies of this letter and redacted and Confidential versions of the enclosures are also being submitted to your office in accordance with the Third Protective Order in the above-referenced proceedings.

Sincerely,

/s/ Rhonda S. Goddard
Rhonda S. Goddard
Chief Operating Officer, Regulated Services

Enclosures

cc: Commissioner Ajit Pai
Nicholas Degani
Commissioner Mike O'Rielly
Courtney Reinhard
Daniel Alvarez

Organizational Quick Facts

Nex-Tech

CEO/General Manager: Jimmy Todd

Chief Operating Officer, Regulated Services: Rhonda S. Goddard

Chief Operating Officer, Competitive Services: Mike Pollock

Parent Company:

Rural Telephone Service Co., Inc., dba Nex-Tech

Incorporated: February 13, 1951

- A cooperative, owned by its members, with an elected seven-member Board, serving 39 exchange areas
- Owns 100% of Nex-Tech

Subsidiary: Nex-Tech, Inc.

Incorporated: July 7, 1989

Offices:

Parent Company Headquarters:

145 N. Main,

PO Box 158, Lenora, KS 67645

Telephone: 877.567.7872 or 785.567.4281

Fax: 785.567.4401

Subsidiary Headquarters:

2418 Vine, PO Box 339,

Hays, KS 67601

Telephone: 877.625.7872 or 785.625.7070

Fax: 785.625.4479

Additional Offices: Courtland, Dodge City, Downs, Great Bend, Hill City, Hoxie, Norton, Phillipsburg, Plainville, Osborne, Quinter, Russell, Salina, Smith Center, Stockton, WaKeeney

Web Site: www.nex-tech.com

300+ full-time employees

Services:

Provides a full line of voice, video, data and other communication services to 30,000 residential and business customers in more than 88 communities in 19 Kansas counties covering 9,300 square miles.

- Local Telephone Service
- Long Distance
- High-Speed Internet
- Digital TV
- Internet Service Provider for two companies
- Nex-Tech Directory Services - Publishes 4 Directories
- Multimedia Production
- Business Technology Solutions
 - Business Telephone Systems
 - Video Surveillance
 - Security Systems
 - Network Infrastructure and Monitoring
 - Cable & Wireless Networks
 - Data Security Services
 - Online Data Back-up
 - Cloud Services
 - Mobile Radio Services
 - Tower Construction & Maintenance



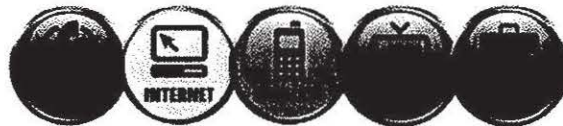
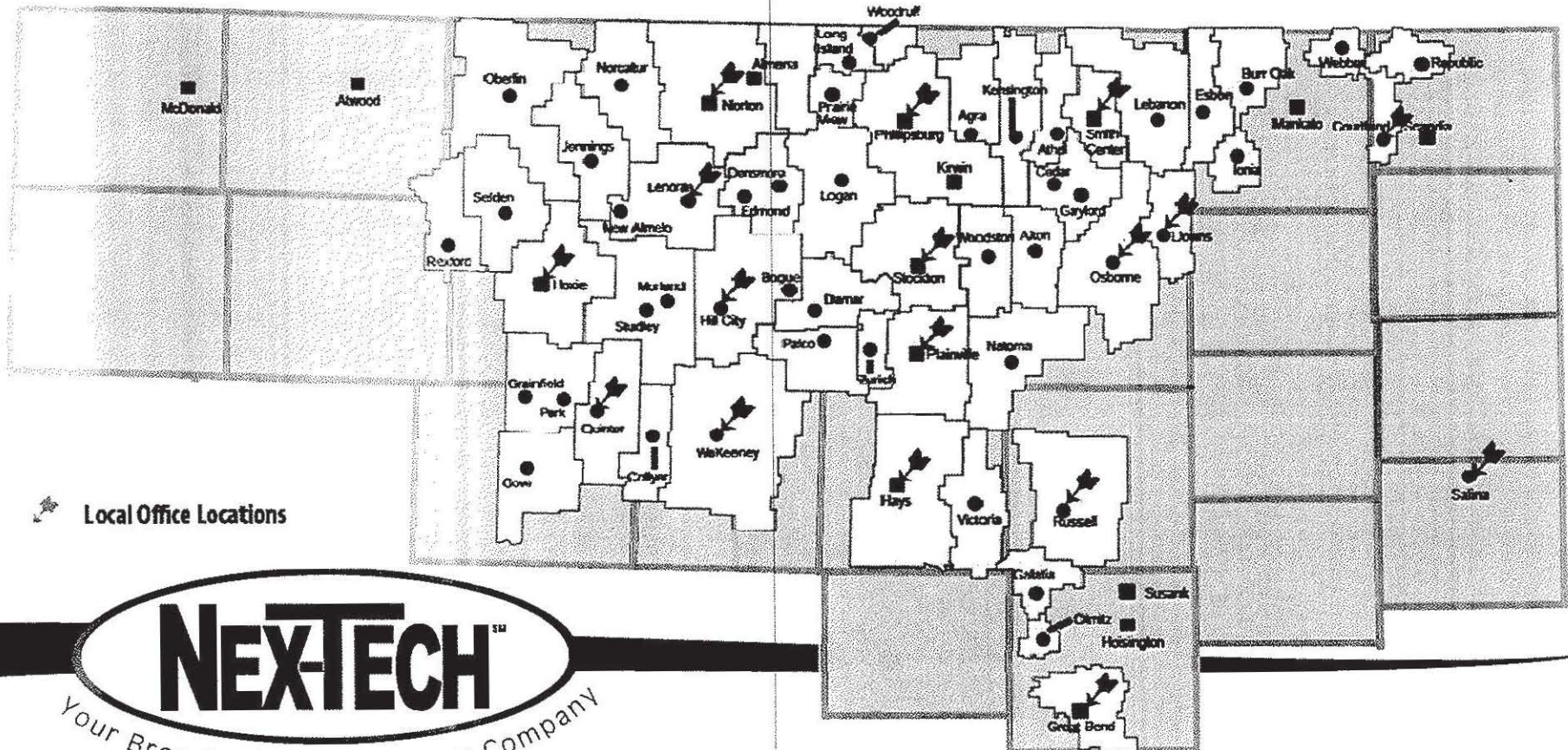
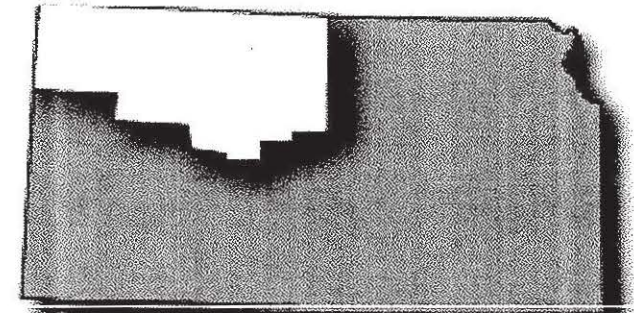


Exhibit A

- Rural Telephone incorporated in 1951; subsidiary operation, Nex-Tech, Inc., incorporated in 1989; collectively doing business as Nex-Tech.
- Nex-Tech currently employs 338 employees – 317 full-time and 21 part-time.
- Nex-Tech has 23,566 telephone access lines, and 24,985 broadband customers serving residents, businesses and community anchor institutions.
- Nex-Tech has built broadband infrastructure in more than a 9,300 square mile area in western Kansas, which is roughly the size of the State of Maryland. The service area extends 171 miles west to east and 118 miles north to south.

Nex-Tech Service Area

- 9,300 square miles; 6,000 + fiber miles
- 24,985 broadband customers
- 23,566 voice customers
- 88 communities & surrounding areas
- Provide service to anchor institutions in 19 counties and 54 communities
- Service area: 11% of Kansas and comparable in size to Maryland



Nex-Tech Service Area - Comparison

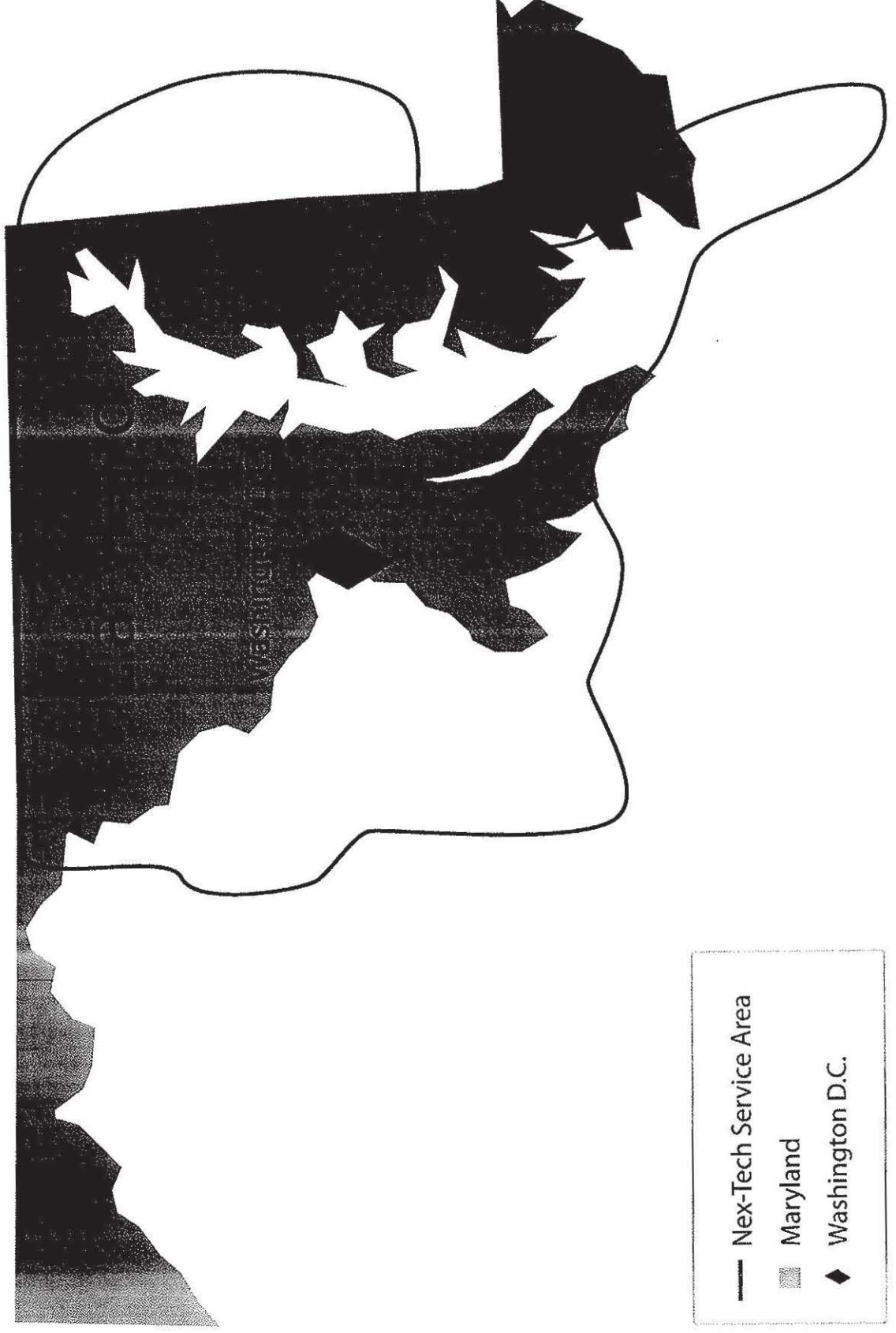




Exhibit B

- Nex-Tech provides 271 circuits to more than 110 wireless towers, serving 120 cell sites, utilized by all of the major nationwide wireless carriers. At the end of 2013, 31 tower sites have 100 Mbps connectivity. Wireless service will not work in much of central and western Kansas without Nex-Tech's fiber network.

Nex-Tech Service Area Including 10 Gig Transport Network and Cell Towers

Redacted Map

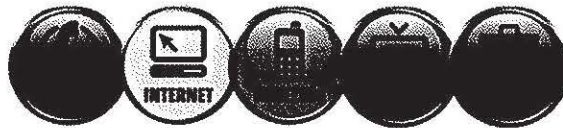


Exhibit C

- Since 2005, Nex-Tech has invested more than \$250 million in central and western Kansas.
- Nex-Tech's monumental investments in its broadband network have enabled residents, schools, libraries, hospitals, clinics, law enforcement agencies and senior/disability centers in central and western Kansas to tap the power of cutting-edge broadband technology.
 - Redacted bullet.
- In 2006, Nex-Tech's regulated operation acquired 10 rural exchanges from Sprint:
 - These exchanges were 99% unserved with broadband.
 - Borrowed funding from RUS, as well as utilized internal equity funds, to build 100% broadband-capable plant.
 - Achieved a 70% broadband take rate, which created economic development opportunities, jobs and brought young people back to central and western Kansas.
- In 2009, President Barack Obama announced the ARRA Broadband Initiatives Program:
 - Redacted bullet.

- Achieved a 70% broadband take rate in the communities and rural areas built with stimulus funding.
- Upon completion of the stimulus build, broadband services are now available to more than 9,300 square miles in remote, rural, central and western Kansas.
- To ensure everyone has access to the Internet, Nex-Tech provides free broadband and Wi-Fi services to every library in its footprint.
- Followed the President's initiative creating 50 jobs and bringing broadband to unserved and underserved rural areas.
- Listed as #38 out of '100 Recovery Act Projects That Are Changing America' in a September 2010 report published by Vice President Joe Biden.

Nex-Tech

Free Broadband/Wi-Fi Services to Libraries

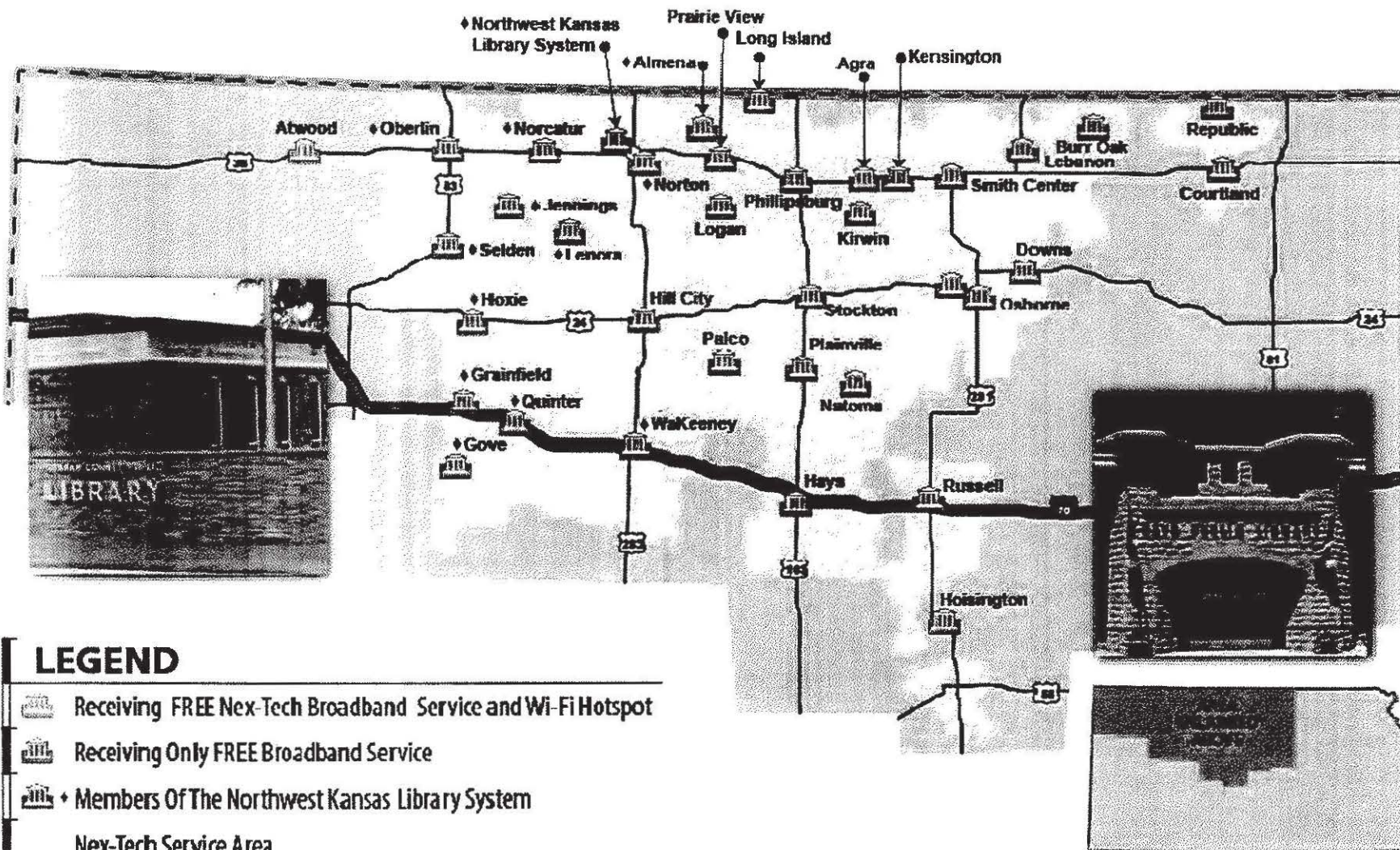




Exhibit D

➤ Broadband Speeds:

- Redacted bullet.
- Redacted bullet.
- Fort Hays State University in Hays, Kansas, is taking 2 Gbps service.
- Redacted bullet.

Exhibit D

Nex-Tech Broadband Customers By Speed

Redacted Graph

Nex-Tech ILEC Access Lines

Exhibit D

Redacted Graph



Nex-Tech CLEC Access Lines

Redacted Graph



Nex-Tech Stand-Alone Broadband Customers
ILEC Areas
Redacted Graph

Nex-Tech Stand-Alone Broadband Customers
CLEC Areas
Redacted Graph

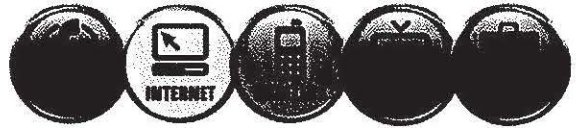


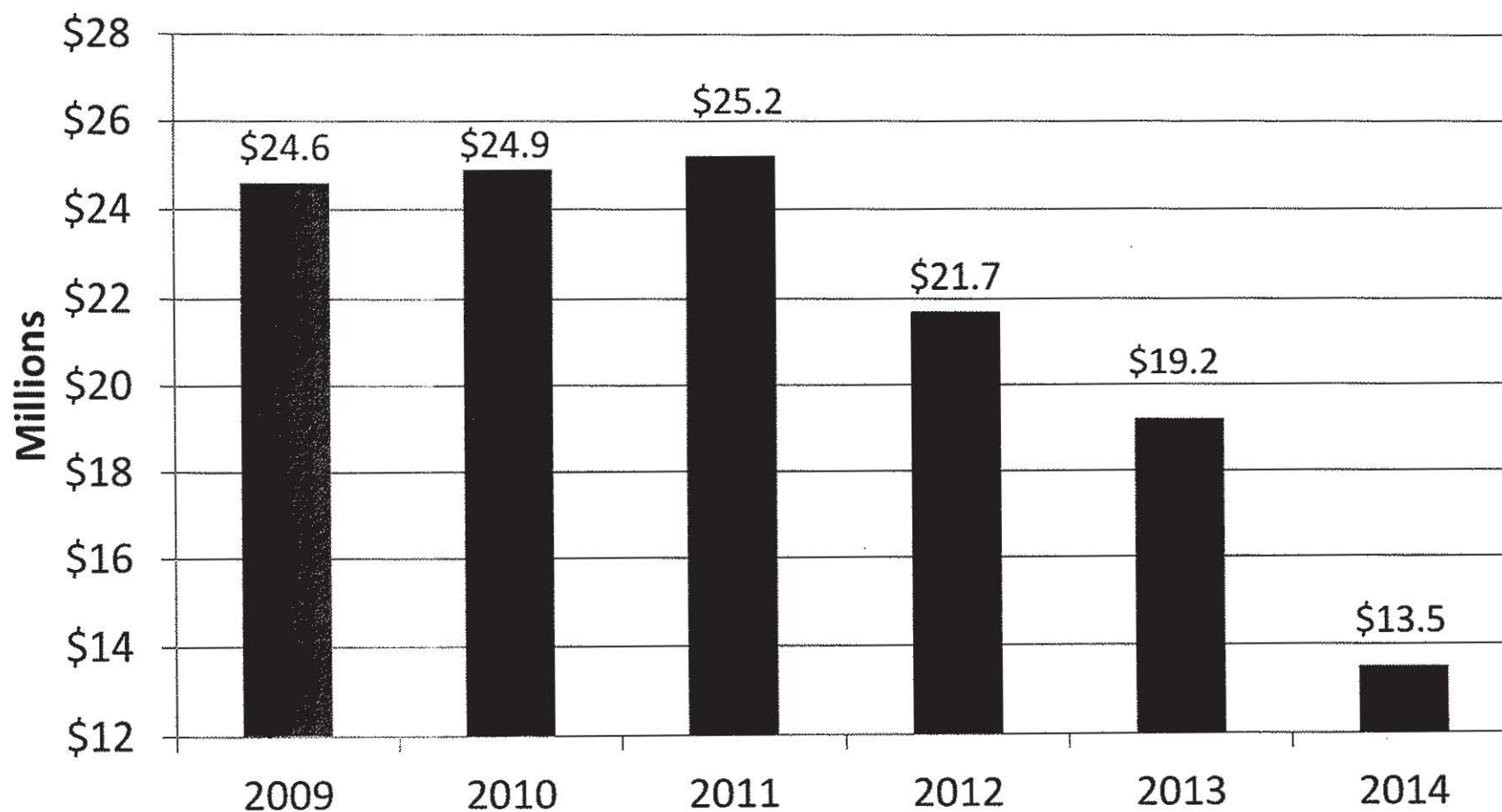
Exhibit E

➤ Recent Regulatory Issues:

- In March 2010, the FCC released the National Broadband Plan, which has resulted in a subsequent series of regulatory orders and rulemaking. These regulatory orders and rules have caused significant adverse impacts to the rural telecommunications industry.
- Universal Service revenue has been drastically reduced for Nex-Tech.
- The above changes will impact Nex-Tech's ability to provide affordable service in the rural areas of central and western Kansas.

Nex-Tech ILEC USF Revenues

Exhibit E



NEX-TECHSM

Your Broadband & Technology Company

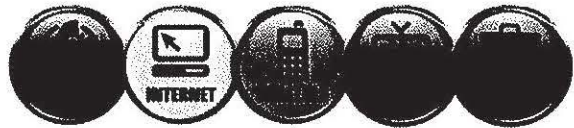


Exhibit F

- Community and economic development initiatives have always been a cornerstone at Nex-Tech, resulting in multiple awards and recognition including:
 - Nex-Tech: Chosen for the Calix Decade of Excellence Award in October 2013; recognized as a pioneer in new services and network technologies over the past ten years.
 - Hays: Served by Nex-Tech Fiber-to-the-Premise, Hays was awarded "Smart Rural Community" in September 2013 by NTCA – The Rural Broadband Association.
 - Nex-Tech: Winner of the 2012 Governor's Award of Excellence (given to the top business in the State of Kansas annually).
 - Osborne Industries: Winner of the 2010 Governor's Exporter of the Year award in part due to the 75 Mbps bandwidth service provided to this enterprise by Nex-Tech.
 - Nex-Tech: Listed as #38 out of '100 Recovery Act Projects That Are Changing America' in a September 2010 report published by Vice President Joe Biden.
 - Nex-Tech: Winner of the 2002 Economic Developer of the Year by the National Rural Economic Developers Association.

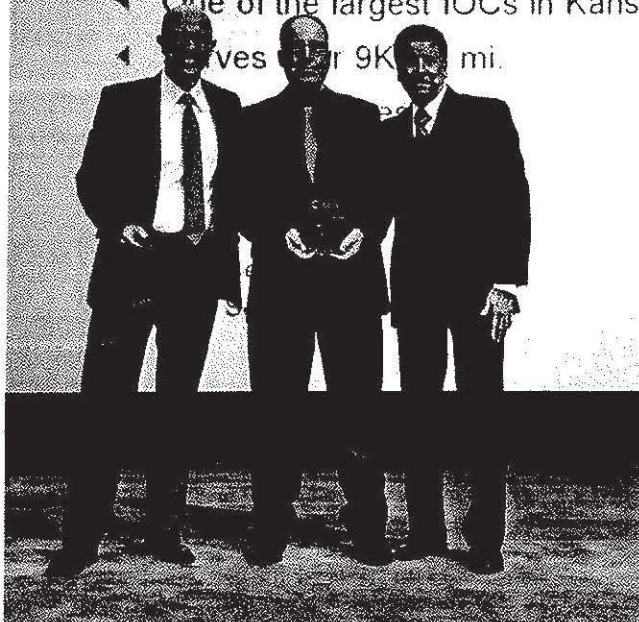
CONNECTIONS

NEWS & INFORMATION FOR NEX-TECH CUSTOMERS

- ◀ Location: Northwestern Kansas
- ◀ Founded: 1951

Today's statistics

- ◀ One of the largest IOCs in Kansas
- ◀ Serves over 9K mi.



Nex-Tech Honored During Recent User Group Conference

Nex-Tech was one of four communications services providers chosen for the Calix Decade of Excellence Award, during the 10th Annual Calix User Group Conference last October in Las Vegas. The award recognized Nex-Tech as a pioneer in new services and network technologies during the past ten years.

"As we looked to honor a select set of service provider customers with our first ever Calix Decade of Excellence awards, Nex-Tech was one of the clear winners in our eyes," said John Colvin, Calix Senior Vice President of North American Sales and Marketing. "Nex-Tech has truly been a pioneer in IP and Ethernet throughout the last decade, and has been instrumental in extending the reach of world-class broadband in Kansas. We congratulate Nex-Tech on not only its own excellence in network and business transformation, but the transformation that it has driven throughout its region, and we look forward to seeing what the company will achieve in the next 10 years."

Pictured from left to right: Geoff Burke, Calix Senior Director of Corporate Marketing, Ron Ellis, Nex-Tech Director of Operations and John Colvin, Calix Senior Vice-President of North American Sales and Marketing.



FOR IMMEDIATE RELEASE

Contacts:

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Shayla Grasser, Mutual Telephone

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Dustin Schlaefli, Nex-Tech

785-625-7070, dustin@nex-tech.com

Kansas Broadband Providers Earn National Recognition

ARLINGTON, Va. (November 5, 2013)—Three Kansas broadband providers were among seven recognized nationally by NTCA—The Rural Broadband Association for their role in deploying advanced technologies as part of the NTCA Smart Rural Community initiative. Honored were Blue Valley Tele-Communications, Inc. (BVTC); Home, Kan.; Mutual Telephone Co. (MTC); Little River, Kan.; and Nex-Tech; Hays, Kan. In addition to the sunflower state award winners, broadband providers in four other communities in Minnesota, North Dakota, Florida and Indiana also were recognized. The awards were announced September 16 at the NTCA Fall Conference in Chicago.

NTCA cited advanced fiber optic and WiMAX communications services deployed by the three broadband providers, as well as collaboration with local leaders in education, public safety, manufacturing, economic development, agriculture, energy use and health care as keys to the Smart Rural Community designations.

"Blue Valley, Mutual and Nex-Tech are prime examples of the power of a broadband connection and a steadfast commitment to growth and prosperity," said NTCA Chief Executive Officer (CEO) Shirley Bloomfield. "Not only are the communities served by these three leading broadband providers charting their own path to a more prosperous future, they are also creating a road map for many more communities across the country to follow suit."

The NTCA Smart Rural Community initiative recognizes and celebrates the efforts of rural telecommunications providers and their communities to deliver technologies that make rural communities vibrant places in which to live and do business. The goal of the initiative is to foster the development of

Smart Rural Communities throughout rural America by recognizing trailblazers and providing resources to assist broadband providers and connected industries.

"We are pleased and excited to accept this award," said Larry Sevier, Nex-Tech's CEO. "We have worked hard with our local leaders to ensure that our citizens have access to advanced communications and the many benefits those services enable. We look forward to building on our success for many years to come."

"I am very proud on behalf of our dedicated, hardworking employees here to share our concept of Smart Rural Community and the part we believe we are playing in that here in northeast Kansas," said BVTC General Manager/CEO Brian Thomason. "BVTC has been a strong cooperative, a progressive cooperative for many years here in this part of Kansas."

"The Smart Rural Community exemplifies the vision and effort of the MTC team to bring today's technology to rural central Kansas for the benefit of the residents, businesses and community we serve," said Jimmy Todd, president and general manager of MTC. "It is an honor to be recognized for the role MTC has played in becoming the technology partner for the health care, education, government and economic development organizations in our community."

More information about the Smart Rural Community initiative can be found at www.ntca.org/smart.

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About BVTC

Blue Valley Tele-Communications is a progressive, member-owned cooperative providing the highest quality, cost-effective services and dedicated to providing a superior customer experience using current technology for the communities we serve. BVTC provides local telephone service, high-speed Internet, BVtv, calling features, long distance, computer repair, and networking. BVTC recently upgraded all its LEC exchanges to fiber to the home, which is the greatest technology available today. For more information visit www.bluevalley.net

About MTC

At MTC, our customers are central to our mission, and to every decision we make. From providing a direct fiber connection to provide more Digital TV choices and faster Internet speed, to participating in local events and causes, we are committed to our customers and our community. For more information visit www.mtc4me.com

About Nex-Tech

Nex-Tech provides a full line of voice and data services to residential, government, education and commercial clients. In addition to its Competitive Local Exchange Carrier (CLEC) services, Nex-Tech also provides a host of other services including long distance, VoIP, Internet, Digital TV and home security. Nex-

Tech prides itself on bringing affordable, state-of-the-art technologies to central and western Kansas. For more information visit www.nex-tech.com

About NTCA—The Rural Broadband Association

NTCA—The Rural Broadband Association is the premier association representing nearly 900 independent, community-based telecommunications companies that are leading innovation in rural and small-town America. NTCA advocates on behalf of its members in the legislative and regulatory arenas, and it provides training and development; publications and industry events; and an array of employee benefit programs. In an era of exploding technology, deregulation and marketplace competition, NTCA's members are leading the IP evolution for rural consumers, delivering technologies that make rural communities vibrant places in which to live and do business. Because of their efforts, rural America is fertile ground for innovation in economic development and commerce, education, health care, government services, security and smart energy use. Visit us at www.ntca.org.

Bringing Fiber to the Farm

By Mendi Alexander, Nex-Tech Economic Development/Networking Specialist

McCarty Family Farms in Rexford, Kan., population 232, and the Dannon Co., headquartered in White Plains, N.Y., recently announced a new and unique collaboration between the companies that has resulted in milk from the McCarty Family Farms' dairy cows being exclusively used to make yogurt at Dannon's Fort Worth, Texas, plant.

Dannon, the leading-selling yogurt maker in the United States, and McCarty were both seeking ways to reduce the impact of volatility in milk pricing and to continuously improve on environmental sustainability.

With assistance from the U.S. Department of Agriculture Rural Development, Kansas Department of Commerce, NetWork Kansas, Kansas Department of Transportation and local real-estate tax abatements, construction began on a milk condensing operation at the farm.

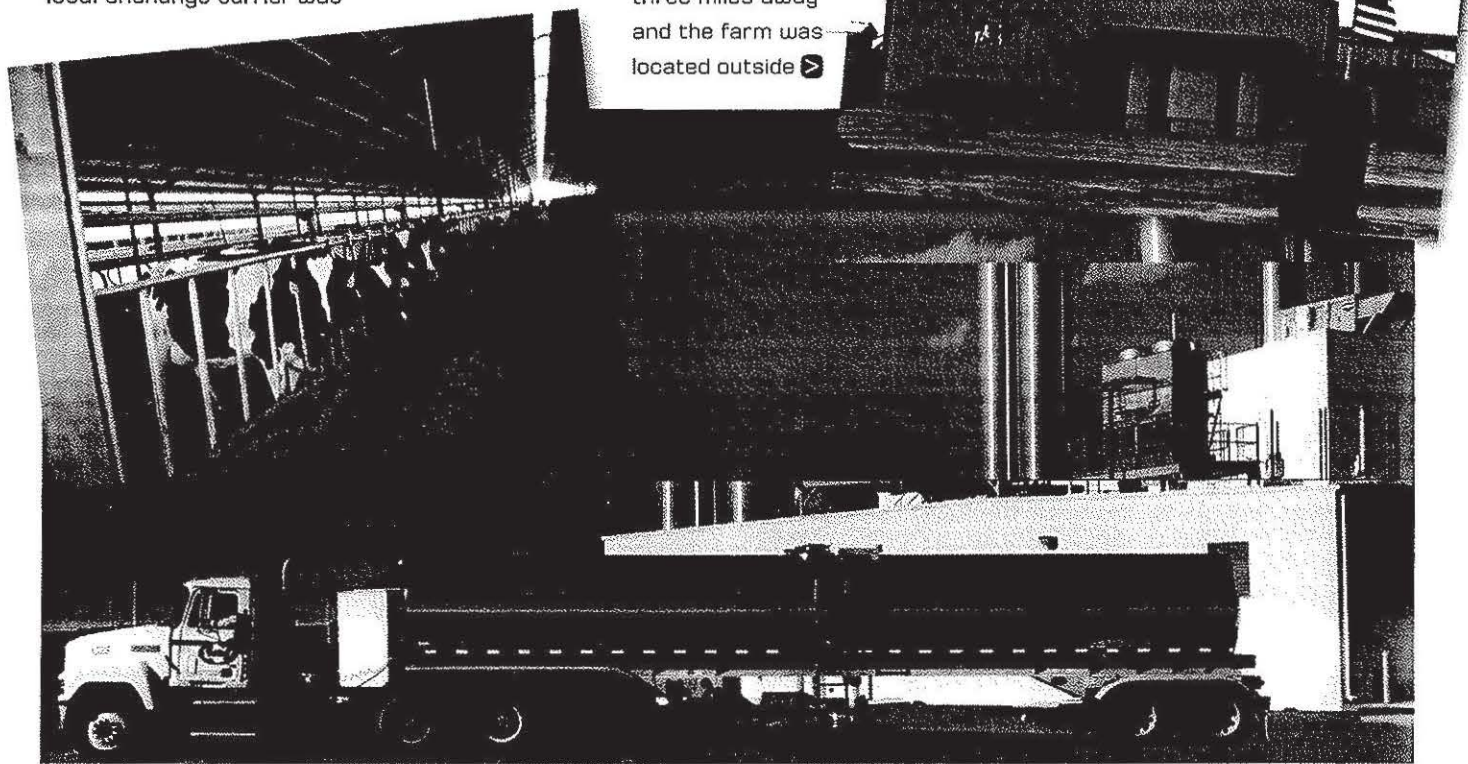
However, the project was at risk. A processing plant of this size which reduces the environmental impact of milk shipping and allows the farm to reuse the water that is removed during condensing of the milk, depends on technology to test and monitor all aspects of the process. The national local exchange carrier was

unwilling to provide the plant anything other than dial-up Internet service due to cost and distance from the central office. A local provider had been offering a 1 Mbps wireless connection, even though it was outside its service area, but neither technology provided the speed or reliability to meet the level of bandwidth required, throughout the farm's production process, leaving the project hanging in the balance.

At that point, the Northwest Kansas Planning and Development Commission contacted NTCA member company Nex-Tech (Hays, Kan.) to explain the situation and ask for assistance.

Although Nex-Tech's closest fiber was over three miles away and the farm was located outside

Nex-Tech (Hays, Kan.) provides the critical advanced services required for the day-to-day operations of the McCarty Family Farms.



Bringing Fiber to the Farm *from page 47*

its service area, Nex-Tech understood the importance of the services to the business and the overall economic development impact this project would have on rural northwest Kansas.

As a result of collaboration between Nex-Tech and the Northwest Kansas Planning and Development Commission, fiber was buried to the facility and installed in the processing plant and business office. This fiber technology meets all the technology and bandwidth needs of today and ensures the ability to increase speeds in the future as the company's business warrants.

"Building a processing facility as technologically advanced as the plant at Rexford without access to high-speed reliable Internet would have been foolhardy," said Ken McCarty, manager at Rexford

Dairy. "Without companies like Nex-Tech supporting this project, it likely would not have gone as smoothly or potentially may not have happened."

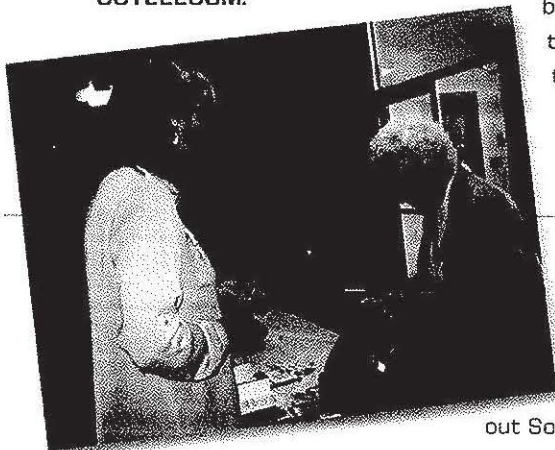
McCarty Family Farms has created more than 50 jobs, doubling the size of the operation to more than 100 employees and bringing to realization Nex-Tech's hopes for economic development in northwest Kansas.

"It is imperative for the survival of areas like northwest Kansas that companies come together to support one another, and hopefully our communities, by creating jobs, opportunities and a better way of life," McCarty stated.

The McCarty Family Farms was recently named the 2013 Innovative Dairy Farmer of the Year by the International Dairy Foods Association and Dairy Today magazine. ☐

ITC Members Approve Merger *from page 45*

ITC members vote to merge the cooperative with SST and SSTELECOM.



Service (RUS) broadband loan with the intent of deploying fiber to the home (FTTH) technology to customers within the CLEC operating area. After acquiring the companies, ITC assumed the RUS

broadband loan and proceeded to build out the CLEC area with the new FTTH technology.

ITC currently provides local telephone service, digital video service and high-speed DSL to approximately 1,600 customers in those communities. With the merger, ITC will serve approximately 15,000 members in 30 different exchanges throughout South Dakota and Minnesota.

Reaping the Rewards

Given the fast-paced, ever-changing telecommunications industry, this merger will allow ITC to be more efficient in all facets of the organization—

from board meetings to day-to-day tasks. Heiberger shared several key benefits: "Eliminating some of the intercompany accounting and reporting that was required with the operation of three companies will give our personnel additional time to focus on other priority issues. ITC's marketing personnel will only be required to produce one monthly newsletter, website, etc., versus three.

"They will eventually be able to advertise and market many of the same services and packages to all of our members versus the separation they have had to deal with in the past," he said.

"ITC's customer service representatives are looking forward to the day, in the future, when rates and services will be standardized so they will not have to be concerned about the area in which a member lives," Heiberger continued.

Another way ITC will become more efficient as one company is with the standardization of equipment over a period of time, making it easier for the company's central office and outside plant staff with both installation and maintenance. ☐

CONNECTIONS

NEWS & INFORMATION FOR NEX-TECH CUSTOMERS

Nex-Tech Wins Recognition As Top Business Of The Year By Governor Brownback

Gov. Sam Brownback recognized Nex-Tech of Lenora with the Governor's Award of Excellence at the annual Kansas Cavalry Encampment at the Kansas State University Alumni Center in Manhattan on June 12, 2012.

This award is the state's highest achievement by a business and is the culmination of Business Appreciation Month, the Department's annual statewide tribute to Kansas businesses for their contributions to the state. The event is sponsored by the Kansas Department of Commerce and the Kansas Cavalry, a volunteer group of business leaders who promote the state as a desirable business location.

"Nex-Tech is well deserving of its recognition," Brownback said.

"Nex-Tech is a leader and innovator, in addition to being an active partner in its communities. I look forward to Nex-Tech's continued growth and success, as we work to make Kansas the best place to start and grow a business."

Nex-Tech was specifically recognized for its contributions to the State of Kansas including the following: Nex-Tech/Rural Telephone provides local and long distance telephone services, video and Internet service to 76 communities and surrounding rural areas in central and western Kansas. Additional services include a wide variety of voice, wireless, video and data solutions specializing in business systems, local and wide area networks, security systems and video production. As the CEO/General Manager, Larry Sevier leads the company's 378 employees.

"This is the top award a business can achieve and we owe that to our employees," Sevier said. "We have a tremendous employee base and this award really shows how great they are."

Sevier explained that major factors in earning the recognition have been job creation and infrastructure improvements the company is doing.



Gov. Sam Brownback; Nex-Tech CEO/General Manager, Larry E. Sevier; and Nex-Tech Chief Operating Officer, Jeff Wick

The company was awarded \$101 million in funding to deploy broadband throughout its territory. This project will bring high-speed broadband to 23,000 households and businesses, as well as 335 anchor institutions in 21 communities and 26 rural areas covering 11 counties in northwest Kansas. After this project is complete, more than 39,000 households and businesses in 76 communities in 17 counties will have high-speed broadband within the more than 9,300 square miles Nex-Tech's territory covers.

Employees enjoy a wide variety of training opportunities and programs. Nex-Tech Training Services is certified as a proprietary school through the Kansas Board of Regents and is registered as a Kansas Service Provider. Through a partnership with Fort Hays State University, employees and customers can attend classes in Microsoft Office applications and earn college or continuing education credit.

The company created a Youth Services/Community Development

Coordinator position in 2011 to administer the company's youth programs (internships, educational school presentations, career days and other events), and to serve as a liaison to businesses, schools and communities. The company offers a variety of youth-centered programs that feature keeping children safe from online predators, tips to stop cyberbullying and the dangers of texting while driving.

Other finalists for the Governor's Award of Excellence were Carter Automotive Warehouse (Coffeyville); Custom Foods, Inc. (DeSoto); Gove County Medical Center (Quinter); Midland Marketing (Hays); and NetStandard, Inc. (Kansas City, Kan.).

"I want to congratulate all the companies recognized during Business Appreciation Month," said Kansas Commerce Secretary Pat George. "There are many outstanding companies doing some great things in business and in their communities. We are fortunate that these businesses call Kansas home."

The Salina Journal
Sunday, January 8, 2012

The good life

DRAWN BY FRIENDS AND SMALL-TOWN LIFE,
YOUNG PEOPLE ARE RETURNING TO COURTLAND

By TIM UNRUH
Salina Journal



From left, Christy and Troy Newman and their son Peter, Jay Russell with Owen age 3, Katie Carlgren and Brandt age 2, Jenny Russell, Tyler Clark, Clayton Mendenhall age 4, Luke Mahin, in stroller in front Max and Elise Lieb and Erica Lieb (pink coat) children of Trevor and Crystal Lieb (not pictured), Thayne Clark, Dave Douglass, Tanner and Kathy Johnson with their children Ella and Stan are pictured on Main street in Courtland on Friday, November 18, 2011.

(photo by Jeff Cooper/Salina Journal)

COURTLAND -- Diapers and pacifiers are back in vogue at Courtland, where tykes are again frolicking in the parks and roaming safely about.

They're connected to stroller-pushing parents who have moved home over the past five or more years. The trend has stabilized this Republic County's population at 300, or just a skosh more, left only one vacant storefront downtown and clogged housing.

"The good thing is we've got traffic on Main Street," said Bob Mainquist, who co-owns the weekly Courtland Journal newspaper with his wife, Colleen.

"It's a wonderful thing to see these young people back here in town. It's a lifeblood," said Mike Johnson, owner and president of Swedish American State Bank.

The influx has squelched previous notions that Pike Valley School District was in jeopardy, said Chris Vignery, high school principal and superintendent of schools.

The kindergarten-through-eighth-grade school is in Courtland and the high school is in Scandia.

The school, which averages 18 in each class, projects next year's kindergarten to have 13 pupils, falling to 11 in 2013, he said. But by 2014, the expectation is a kindergarten with 16 students, thanks in part to growing families.

"Five years ago, some people thought we needed to look toward consolidation because of declining enrollment," Vignery said. "I don't think that's a consideration anymore."

Some returnees admit to an intense desire to leave for big cities and explore the world when they left high school, which is a common attitude for youngsters.

But some minds have changed, especially as the young adults age when their broods grow and opportunities surface closer to home.

More plan to come home

More than 20 people who have completed college degrees within five years of the class of 2005 have moved back, said Luke Mahin, 24, and more are planning to relocate home.

"You did have thoughts as a teenager that you couldn't wait until you could leave," said Troy Newman, 38, a co-owner of Ag Marketing Partners in Courtland.

"We probably thought that until we left for a week. It sounds a lot cooler to go places than it actually is," he said.

Troy and his wife, Christy, have a 2-year-old son, Peter. On Tuesday morning, Peter gained a little brother, Reed.

Troy Newman relocated his portion of the business in 2008 from Holdrege, Neb., to his hometown. His other two partners operate out of Westcliffe, Colo.

The strong farm economy and Internet service made the move possible, Newman said. "When I graduated (Pike Valley) in 1991, we had just gone through the '80s. It was kind of doom and gloom," he said. "People have hope now and it definitely has helped our business."

Seven homes a block east of downtown Courtland are occupied by at least five young families. They're mixing in black, brunette and blonde with the gray hair that abounds in so many small Kansas towns.

Courtland relocation

Many of the relatively young residents -- from their 20s to early 40s -- fostered friendships in high school that contributed to pulling them back home after leaving and achieving some level of higher education.

They have returned to raise their offspring in the safe confines of a tiny hometown.

"We call it the Courtland Relocation Project," said Jennifer Russell, 31, a Glen Elder native who is among some eight spouses of Courtland natives who agreed to move back to their other half's childhood home. Her husband, Jay, 39, was a kid in Courtland and now works for Newman. They share an office building with Jennifer, owner of JenRus Freelance, an Internet marketing service, and Nex-Tech, which is the cable, telephone and Internet service provider.

Find an agreeable woman

"Our theory is (single Courtland men) find women who are agreeable, translate well to a rural area, and are amicable to moving back," Jennifer said.

The Russells have a 3-year-old son, Owen.

The movement has been "wonderful" for Courtland, Mayor Tim Garman said, and a wise move by the young families.

"You always hear that you would like to raise your kids up in more of our kind of community," he said. "It's theoretically safer."

The owner of Garman & Sons TV and Appliances, Tim is the "Sons" in the title. He got his start working for his father, Chad. After graduating from Courtland High School in 1973, Tim Garman started his full-time career at home.

"I knew I was coming right here to work," he said.

Among the forces at play is a welcoming attitude from the longtime residents.

"When they find out people are wanting to move back, they do all they can, whether through moral support or any other way," Mahin said.

Among the names mentioned in Courtland is John Blackburn, a farmer-stockman. With the exception of two years in the U.S. Army, Blackburn, 82, has spent all of his life within two miles of Courtland.

"We've had a good life in Courtland, seen it grow, and other little towns go by the wayside," he said.



Jay Russell and his son Owen, age 3, at his office in Courtland. (photo by Jeff Cooper/Salina Journal)

Older residents' support

The group of students that Newman and Russell were attached to were a close-knit bunch, Blackburn said. "We encouraged them to go to college."

But when those youngsters wanted to come home, they were welcomed.

Older folks in Courtland "support our businesses," Troy Newman said.

Another key is busting the myth that coming home translates as failure.

Mahin, Jennifer Russell and others are part of the PowerUps movement at the Kansas Sampler Foundation, a group of rural young people focused on promoting small-town living and flourishing at it.

"We find that people hesitate about moving back because they think they'll be seen as a loser," said Marci Penner, of Inman, the founder and director of the Kansas Sampler Foundation and PowerUps.

Towns such as Courtland have gained momentum with their youths returning because some had the courage to take the chance first.

"When they see others moving back, it erases that stigma," Penner said. "At some point, the memory kicks in about why you loved growing up in a small town."

The true myth, she said, "is that all young people leave rural Kansas and don't ever want to come back."

Jobs are to be had

There are jobs to be had, Blackburn said, such as Premium Feeders, a cattle feedlot near Courtland and an ethanol plant in Scandia, which is six miles east. Mahin's brother, Ethan, 21, is working at the windfarm near Concordia.

"I hired a lot of those kids in the summertime to help haul (hay) bales," Blackburn said. "Courtland is kind of in the heart of an irrigation district. It take a darn sight more people to farm irrigated ground than dryland."

Others mimicked Courtland Mayor Garman and joined a family business. Blackburn mentioned Brock Hanel, 26, a veterinarian who has joined his father Lannie's practice. Brock's wife, Angie, is a registered nurse working in Belleville.

The couple's goal, Lannie Hanel said, was to move back to this rural area where they could work and start a family. They're expecting a child in July, Lannie said.

"We have got a lot of young kids (Brock's) age moving back, and it's tremendous, a boost to the community," Lannie Hanel said. "They're aggressive kids who want to get things started."

The Russells were living in Downs in 2010 when they migrated back to Courtland. Jennifer was working for Brush Art, an advertising agency, and Jay was working for a bank in Downs.

"My thought was 'What will I do if I come back?' We had good jobs where we lived," Jennifer Russell said.

Start your own business

The solution was starting her own business, JenRus Freelance, an Internet marketing firm she started in 2009 that specializes in social media and search engine optimization.

She hired an assistant, Mahin, 24, starting part-time in June 2010. The 2005 Pike Valley graduate completed a bachelor's degree in communication studies in 2010 from Fort Hays State University.

He worked as a substitute teacher and for C&W Farm Supply -- the New Holland dealer in Courtland -- before his employment at JenRus was upgraded to full-time in August.

"You have to be creative enough to find other ways to get along until you get what you need," Mahin said.

Both the entrepreneur and the employee are convinced that opportunity exists in Courtland, but it doesn't come with an information packet.

"You can't just go to Monster.com (employment website)," Jennifer Russell said.

A strong farm economy contributed mightily to Newman coming back and hiring Jay Russell.

But there was some risk in returning, Newman said. It requires a bold approach.

"A lot of people said for years that 'you can't do this.' If you believe that, you don't try," Newman said.

There are benefits to being where you're truly wanted, and where setting up shop is less expensive.

"We couldn't afford this office in Salina," he said.

Quality of life issue

Tanner Johnson, 35, the information technology and marketing officer at Swedish American State Bank, returned to Courtland in October with his wife, Kathy, 36, a registered nurse at Republic County Hospital in Belleville and their two children, Ella and Sam. They were living in Norman, Okla.

Tanner doubles as the CEO of aPeel, an interactive marketing agency that develops websites and web applications.

"A lot of it was the quality of life for our kids. It's one thing I really enjoyed growing up in this area, not something I'd trade," Tanner Johnson said.

A lack of good houses

Housing is the current bane in Courtland, Mayor Garman said.

"Affordable housing seems to be the biggest problem we have," he said. "People want to move here, but we don't have any place for them to live."

Some houses had deteriorated to the point that they were torn down, Garman said, and financing new construction has been difficult.

The city would follow the lead of other towns -- Ellsworth, Marquette and Minneapolis -- and give away housing lots "if we owned them," he said. "The city tries not to own lots."

The younger demographic has swallowed up available homes.

"It's a good problem to have," said bank owner and president Mike Johnson, Tanner's dad.

Mahin, for example, is preparing to move into his third rental since 2010. He first roomed with a cousin, then a friend. Next, he may rent space with his brother.

"I would like to build a house, but I just don't have the capital yet," Mahin said.

Lots are available and they're reasonably priced at about \$1,000 each.

"It's not like going to the city and paying \$100,000 for a lot, and then putting a house on it," Mike Johnson said. "We've financed a lot of homes for these young people, and the Nex-Tech building that went up."

Have to have technology

The young adults all agree that technology was essential to their return.

"The thing that made it possible was connectivity," Tanner Johnson said. The service available in Courtland is faster than what was offered in Norman, he said.

Mike Johnson calls it "tele-commuting," and it's helping in Courtland.

"I know a lot of people work at home. They're starting to realize they can work anywhere," he said.

With technology in place, rural towns can compete, Tanner Johnson said.

"These little towns can be the boom towns of the next 50 years with the way agriculture prices are and the changes the Internet's made to the job market," he said. "The landscape is

changing. You can work for AT&T and live in Courtland, Kansas. Five or 10 years ago, that just wasn't possible."

Mahin is confident he could make it somewhere else, but he enjoys a sense of freedom in Courtland.

"I don't feel like I'm a slave to my job. I have a lot more ownership in the community," he said.

Finding a mate

As someone who would like to someday marry and start a family, Mahin admits that one negative is a relatively small pool of eligible bachelorettes.

But as more young people move back, he said, "There are a lot more options now than there used to be."

Mahin's advice to others pondering a return is for the system to include coming home as an option.

"We educate on the opportunities outside of a community," he said. "We need to start asking more often for our youths to come back."

-- Reporter Tim Unruh can be reached at 822-1419 or by email at tunruh@salina.com.

Read the full article at <http://www.salina.com/Courtland-s-getting-younger-1312>



RURAL TELEPHONE SERVICE CO., INC.

Your One-Stop Communications, Information and Entertainment Source

January 10, 2014

The Honorable Joe Biden
Vice President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. Vice President:

In September 2010, you released a report called "100 Recovery Act Projects that are Changing America." Among those listed in the report was Rural Telephone Service Company, Inc. (Lenora, Kansas) as number 38 for its "Rural Opportunities Delivered" broadband expansion project.

Rural Telephone, in collaboration with its wholly-owned subsidiary, Nex-Tech, Inc., was awarded approximately \$101 million in Broadband Infrastructure Program (BIP) funding under the American Recovery and Reinvestment Act (ARRA). This award consisted of a \$51.6 million loan and a \$49.5 million grant to facilitate the growth of businesses and enhance quality-of-life by creating infrastructure that would bring broadband service to 21 towns and 26 rural areas spanning over 4,600 square miles in western Kansas, 99.5 percent of which was classified as unserved or underserved.

Funding and oversight for this project was administered by the Rural Utilities Service in the Department of Agriculture. This resulted in a very efficient and accountable use of the funding, as Rural Telephone and RUS were familiar with the processes and procedures as a result of their ongoing private/public partnership since 1954.

We are pleased to inform you that Rural Telephone's BIP project was completed in late Summer 2013 under budget and on-time. Fiber-To-The-Premise (FTTP) infrastructure and WiMAX technology were used to deploy new or improved broadband service to over 8,200 households and over 1,100 businesses, including 118 community anchor institutions. During the peak of this project, 50 new jobs were created for Rural Telephone, as well as numerous new jobs for three engineering firms and five construction contractors.

The Honorable Joe Biden

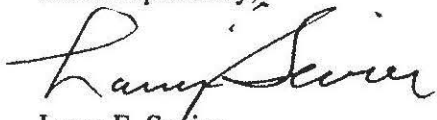
Page 2

January 10, 2014

With the completion of this highly successful stimulus project, Rural Telephone and Nex-Tech now provide broadband to over 9,300 square miles in western and north central Kansas, providing customers with advanced technology and services and fulfilling your vision for sustainable broadband in rural America.

If you would like any additional information about this project, please feel free to contact us.

Most respectfully,

A handwritten signature in black ink, appearing to read "Larry Sevier". The signature is fluid and cursive, with the first name "Larry" and last name "Sevier" clearly distinguishable.

Larry E. Sevier
CEO/General Manager

LES/lkw



100 RECOVERY ACT PROJECTS THAT ARE CHANGING AMERICA



SEPTEMBER 2010

Denver Union Station Project Authority are redeveloping the Denver Union Station site as a multimodal transportation center that will accommodate significant additional passenger rail service (FasTracks) now under construction. The nearly half billion dollar project will transform Union Station into the hub of a seamless, interconnected transportation system which provides access to Amtrak, light rail, bus transit, parking and bicycle/pedestrian routes. When completed, the new station will reinvigorate downtown Denver and provide better access to housing, jobs, and commerce, and improve connections for business, education, recreation, tourism, and services. Recovery Act funding has already created more than 110 jobs on the project, which will be completed in 2014.

37. Financing Key Infrastructure Project to Seismically Retrofit the San Francisco-Oakland Bay Bridge – California – \$2.8 billion

The Bay Area Toll Authority (BATA) issued Recovery Act Build America Bonds (BABs) to help finance the San Francisco-Oakland Bay Bridge Seismic Retrofit project. This innovative financing tool gave the Toll Authority access to capital at a time when the traditional tax-exempt market was severely impaired. By issuing BABs, BATA estimates that it saved \$351 million in present value terms over comparable tax-exempt debt. The savings have allowed the Authority to increase project capacity, improve infrastructure and create additional jobs. Currently, the Bay Bridge Project directly employs roughly 1,000 people on-site and another 500 in support roles.

38. Broadband Expansion to Rural Communities – Kansas – \$49.5 million

With the \$51.6 million loan and a \$49.5 million grant provided by the Recovery Act, the Rural Telephone Service Co., Inc. will provide broadband service in an area of western Kansas that is 99.5 percent unserved or underserved, and covers 26 communities and rural areas spanning over 4,600 square miles. Such service will provide the infrastructure required for economic stability, education and healthcare. The company has hired eight of the projected 17 new employees and the three engineering firms and five contractors associated with the project have created a number of jobs.

39. Road Construction Jobs Now; Greater Economic Development to Follow – Ocala, Florida – \$3.2 million

The Economic Development Administration granted approximately \$3.2 million through the Recovery Act for the construction of critical road, water, and wastewater line improvements to facilitate development of a new road segment of NW 44th Avenue in the city of Ocala, Florida. In the short term, the recipient estimates 24 construction jobs will be created, but in the long run these industrial tracts will serve the Ocala community for decades. According to recipient estimates, three companies will create a total of 77 new jobs and invest \$25 million in capital improvements within three years of the initial estimate and several industrial tracts will become more marketable for future development and employment growth.

40. Patriot Express Loans for a Family-Owned Company – Cumberland, Rhode Island – \$500,000

Gorman Roofing, Inc. is a 30-year old family-owned and operated commercial roofing company. The company president, Raymond Gorman, is a service-disabled veteran. Today, Gorman Roofing has 43 employees who are experienced roofing mechanics. SBA introduced Mr. Gorman to Bank Rhode Island and the end result was that the company was able to obtain two SBA 90 percent-guaranteed Patriot Express loans totaling \$500,000. The company saved \$10,425 in guarantee fees but more importantly



Challenges:

- 1) Regulatory Uncertainty – It has been announced that Quantile Regression Analysis is being eliminated, but the unknowns of what is coming next has not reduced the regulatory uncertainty.
- 2) Stand-alone DSL – The rural industry needs a cost recovery program for broadband customers, whether or not they choose to keep their telephone service.
- 3) Retransmission/Programming Fees – Small rural companies are being forced to pay exponentially increasing retransmission fees for broadcast television channels available for free over the airwaves in the urban areas.
- 4) Reporting/Audits/Review –
 - a) NexTech files over 200 regulatory reports per year and new reports such as the special access data request report are being added every year.
 - b) Over the past five years, Nex-Tech has had 15 regulatory audits and reviews.

BROADBAND

Northwest Kansas' Greatest "Unnatural" Resource



Your Broadband & Technology Company



Why 4 Mbps is not enough...



Nathan Grebowiec • Plainville, KS

Director of Information Technologies, DassinFournirCompanies

"As an international business based in rural Kansas, high-speed Internet access is essential to our success and welfare. . . . Our design, marketing and manufacturing teams collaborate in real-time between locations in Kansas, New York, Chicago and California. . . . If the FCC doesn't properly fund rural Internet services it will greatly impede our ability to advance and stay in rural Kansas. 4 Mbps Internet will never be able to accommodate the services we currently rely on and would greatly bottleneck our ability to further our business as planned."

Note: DassinFournirCompanies recently upgraded to a 20 Mbps connection from Nex-Tech and will upgrade to a 50 Mbps connection once it becomes available.



Larry Calvery • Russell, KS

General Manager, White Communications, L.L.C.

"Last month [March 2011] KRSL upgraded our Internet service with Nex-Tech to 10 Mbps from 3 Mbps. In the radio broadcasting business, it is important to put out the best quality audio signal possible on our two radio stations. After experiencing some technical problems in our broadcasting of certain programming, we chose to increase our Internet speed to improve our ability to air music and programs that give us a professional signal on both our FM and AM stations."



Darryl Hoar • Osborne, KS

Network Administrator, Osborne Industries, Inc.

"Osborne Industries, Kansas Governor's Exporter of the Year 2010, is an international business. . . . Since Osborne Industries is located in rural Kansas, meeting our Internet resource needs can be challenging. Nex-Tech was the only company willing to invest in the infrastructure to bring high-speed Internet to our community, thus meeting Osborne Industries basic needs. But as Osborne Industries Internet requirements increase, Nex-Tech will need to continue to invest in infrastructure upgrades. If Internet upgrades don't keep pace with Osborne Industries business growth, it will have a destructive, stunting effect."

Note: Osborne Industries recently upgraded to a 75 Mbps connection from Nex-Tech.



Christine L. Niblock • Hoxie, KS

CFO, Sheridan County Health Complex

"We cannot easily put into words the improvement you have afforded us as rural healthcare providers with your fiber optic cable installation in Hoxie, Kansas. We are finally able to run our operating software housed at Hays Medical Center in Hays, KS via your Internet with no speed issues. . . . We can't forget to mention that your fiber project allows us approximately 6 times MORE bandwidth, at a 50% reduction in what we were paying for 3 Mbps from AT&T. . . . We are now able to provide telemedicine directly into our emergency department to allow critical patients to be assessed in a trauma situation. . . . We could not operate our hospital as efficiently without their [Nex-Tech/Rural Telephone] service."

Note: Sheridan County Health Complex currently receives a 10 Mbps connection from Nex-Tech.



Shelley Boden • Russell, KS

Administrator/CEO, Russell Regional Hospital

"Without Nex-Tech being so advanced and willing to work with us to get this large broadband communication system in place, I'm not sure we would have any other local provider that could provide that for us. So we're very appreciative and thankful to Nex-Tech for the services they provide. Healthcare is very competitive. In order for us to stay up, advanced and be progressive and be competitive with the other local healthcare providers, we need to have this type of communication ability. So having the broadband capability that we do, makes it possible to service not only our patients, but to attract people from other places to come here to Russell Regional Hospital to see what we have to offer."



Why I moved back to northwest Kansas...



Brien D. Stockman • Logan, KS

Attorney at law and general counsel for a North Carolina aviation company who relocated to Logan in 2003. Nex-Tech broadband is vital to his practice.

"As time has gone on it's been even more critical every year. The more I do, the more clients I have, the distances involved, the new applications that are out there from Skype to legal research—all those things that I just live by the computer...and it's just become more and more essential for me, to the point where I'm not sure that I would function without it...it's gotten to be considered as essential as electricity or water.

I would say it's a seamless world for me. I get all the advantages of living where I'd like to in a small town, simple life, but I'm really doing every bit of the complex transactions that I used to do out in North Carolina."



Darci Mills • Palco, KS

Creative designer/telecommuter who telecommutes to a professional training and strategic consulting company located in Park City, Utah.

"I couldn't live here or work here without the high-speed Internet and bundled phone services available from Rural Telephone and Nex-Tech. I wear my fuzzy slippers and work my own hours, however, I do participate in scheduled webinars and conference calls with other team members and clients.

I've started my own part-time business, offering print and web design as well as photography services. With a safe and secure quality-of-life and world-class telecommunications technology, opportunities and ideas abound in places like Palco."



Glen Strevey • Norcatur, KS

Retired aerospace engineer from Boulder, Colorado, who relocated to Norcatur, understands the impact broadband has on rural America.

"I got exposed to broadband when I lived in Boulder, and because that's part of the technology that I worked with. I'm well aware of what you can do with fiber, and so when the opportunity for broadband came, I thought, 'Man, that's a real dream for Norcatur.

With high-speed Internet you can telecommute to work. Twenty years ago everybody had to show up at their office for work...over the last twenty years it's gotten to the point where that is not necessarily true. My son in Seattle, for example, works in his home two days a week. The whole business of telecommuting is really growing, and of course that's all enabled by broadband."



Dan Strevey • Norcatur, KS

Fiber optic engineer/farmer, who depends on broadband service (20 Mbps) for his 1,100 acre family farming operation and telecommuting for QLogic Corporation, Aliso Viejo, California, to Oracle Corporation in Broomfield, Colorado.

"Since getting Nex-Tech broadband, it's opened up the world for me as far as being able to do my job. I can be out here working on farming operations throughout the day and at night...even when I'm out in the field, I can be transferring files. I can come in for a conference call and then be back out in the field. It's huge for me.

I do driver integration into the Solaris operating system. It's pretty data intensive. I transfer huge, long files a lot, all over the world actually. We have labs everywhere from India to the U.K. even Russia. Before Nex-Tech broadband service was available, I could not do that work from out here. It was hard to even be able to open up my email or some of the applications I run from my home offices in Aliso Viejo.

I can tell you a little story. I was talking to my father about it the other day, and he was telling me that he grew up without electricity. And that was back in the thirties, and when electricity came to Norcatur, or their little farm just south of town, how huge and life changing that was. I look at this [broadband] as the same type of huge and life changing thing."



Nicole Godek • Grainfield, KS

Graphic designer/website-entrepreneur who utilizes broadband for her Internet-based business.

"The fast Internet connection, without a doubt, is imperative. Without it, I wouldn't be able to exist [do business]. I think that's part of the reason I created 'Love Small Town America' because I'm a prime example of living in a small town, inexpensive real estate and cost of living...and I can still make a good amount of money doing the profession that I love...so I think people are looking for something different...and knowing that you can still connect with people outside of your community because of the fast Internet connection...I think people are looking for that today."



Why I need broadband to survive in northwest Kansas...



Alan States • Logan, KS

Farmer/banker who depends on broadband for his livelihood, operating competitively and accessing information.

"We use the Internet, we see real-time markets, so, by the time you market products on 7,000 acres, you have to have a good marketing program. We cannot be out of touch...we are 315 miles from the Denver airport and 315 miles from the Kansas City airport. Transportation of our body gets a little difficult so we have to transport knowledge...that is one of the reasons we need to use broadband out here.

The margins are narrow...sometimes if a farmer is only operating on a 10% margin...if he can just decrease his cost of production 3%...get the yields up 3% because of better varieties, and because of marketing maybe gross 4% more...3, 3, and 4 is 10, and he has just doubled his profit margins...it is all in those tiny edges...we have to have the advantage...and in this world it is the information world...if we are cut off from information...we are absolutely cut off...we can't compete not just with our neighbors in Iowa, but we can't compete with Brazil unless we have that knowledge.

The first thing I do if I need information, I don't call somebody, I don't go to my friend anymore that might know...I don't go down to the library...I do a Google® search. It doesn't make any difference if it's a variety of seed, some farming practices...how to trade commodities...global warming...some research on one of the herbicides we are using on the farm. It is such an information based technology that we have to be there...we cannot be cut off from that information and still survive."



Bill and Shelley Nondorf • Studley, KS

Farmers/seed dealers who began receiving broadband service in August 2010 and are astonished by how it has improved their operations and life.

"In the mornings I would spend 45 minutes to an hour going through my email, looking at the overnight markets. Now, in 15 minutes, I'm finished, and I'm trying to figure out what to do with the rest of my time.

Time is a factor out here on the farm. I use the Internet to order seed. That [dial-up internet] was really frustrating because sometimes the seed company's website would show availability for a certain seed variety when you knew it was closing out, or getting to the end of its supply. You saw that it was available, but by the time you got there, it might be five or ten minutes later. Other dealers were seeing the same thing, so by the time you actually got your order in, you may not have been quick enough in that five minutes to get that."



Darin Campbell • Norton, KS

General Manager of Natoma Corporation—credits broadband for remaining competitive in a rural community and creating vital jobs for people who wish to live in northwest Kansas.

"Without high-speed Internet and the technology that's available now, it wouldn't be possible to be here and do the work we are doing...we couldn't compete with the bigger cities...but now, having Nex-Tech bringing high-speed Internet to Natoma Corporation here in Norton, Kansas...it's just made life so much easier...so much faster...so much easier to compete with the bigger cities...out here in rural America!

Natoma Corporation could be based in a big city. The reason we're not is because we love the small town environment, the small town quality of living, and having the people, our employees, come from the small town and want to come to work every day. That's the reason I'm here, because I don't want to live in the big city with the hustle and bustle of traffic, crime and everything like that. We can actually have a high-tech business in a small town environment because of Nex-Tech and what Nex-Tech has provided for us."



Deborah Lindenman • Morland, KS

Educational paraprofessional/family farm wife, who was first connected to FTTP broadband on their rural farm August 20, 2010, describes how life-changing the technology is.

"It was like we were finally part of the world. You don't know what you're truly missing until somebody gives you something that actually works, because nothing really was truly compatible out here until then. Not with all the new computers and the speeds of the new computers. As long as the computers speeds in the old ones were slow we were okay, but we were getting anywhere from 22 to 36K...that was the highest speed we ever got on dial-up...and that was on a good night. If it was busy we didn't get that.

When we finally got it [broadband] on that night, I went on Facebook and sent it through with all [my] friends, we were finally part of the world! We were connected to the rest of the world now! Because everything was just speeding by us and there was so much as a family that we were missing and not knowing."



Dr. Edward H. Hammond • Hays, KS

President of Fort Hays State University, emphasizes the importance of Nex-Tech providing a 2 Gbps broadband connection between the main campus and the world-renowned Sternberg Museum of Natural History, more than two miles away.

"This will give us connectivity between the campus and the museum that will extend university services to Sternberg with speed and efficiency that were not available previously. Perhaps more importantly though, this is the missing link that will allow us to create a back-up communication system in case the campus is ever hit by a disaster. We will install computer servers at the museum that will allow uninterrupted communication over the Internet in the event of service disruptions on campus. It is not an exaggeration to say that this new line of communication between the campus and the museum may someday save lives."



Without Nex-Tech we would not have broadband...



Jerry McReynolds • Woodston, KS
Farmer and Kansas Farm Bureau Board Member.

"Broadband service, high-speed Internet, is essential in this day and age that we live in. It is a tool that is absolutely essential that is used every day in our operations and most of the activities that we are involved in outside of the operation so it's critical.

A short time ago, it was very difficult to get broadband services. Originally we started out with dial up and that was better than nothing...but not a lot. Technology changes and everything speeds up, and that just wasn't cutting it anymore.

If it were not for Nex-Tech, companies like that, that have been very progressive, and on the cutting-edge in technology, we wouldn't have the services we have today, so I'm very thankful for them so I applaud them for their hard work, but I also say keep after it...keep going...keep working. It's critical!"



Alan and Joan Hale • Studley, KS
Farmer/School Psychologist

"We initially started with Internet service here with dial up...if you didn't know of any other service then the dial up would suffice but by working in town and in the community of Norton, and having the availability of the better Internet speeds, then it became quite evident that the dial up was inadequate.

I look at Nex-Tech as being truly one of the gems that we have in an area such as Western Kansas. The world is continuing to turn and evolve and you must meet the world where it is at."



George Eakin • Osborne, KS
President, Osborne Industries

"If Osborne Industries did not have broadband service, we would not be in the 21st Century and it would put us at a severe deficit of being able to conduct our business from our current location with our current principle of creating jobs for this community, we would not be able to participate in a worldwide economy without broadband service.

Growth would have been more difficult because it would have required us to move somewhere else and our company was founded on the principle of creating jobs for Osborne, so it is very important that what we do here stays here. Without this service, we would have had to relocate to a location where that service was available. Because it was apparent to us back in the nineties that telecommunication companies were not really interested in providing these type of services to rural communities. But Nex-Tech has stepped up and provided that to us as well as other businesses within Osborne."



Bruce and Cindy Wegener • Rural Norton, KS
Farmers/Quarter Horse Breeders

"We just got high-speed Internet about a month ago. Prior to that, we had dial-up which was a little hard to deal with. We've really enjoyed the high-speed Internet. Bruce has been online looking for farm equipment, participated in an online horse auction and other things we just couldn't do on dial-up prior to receiving the high-speed Internet. We're really grateful Nex-Tech brought the high-speed Internet out to the rural areas because no-one else has been willing to do that. This farm has been in our family for over 125 years and I think sometimes people don't understand what kind of tie that is. High-speed Internet allows us to do a lot of things we wouldn't otherwise be able to do and still live where we want to live."



How we keep youth in northwest Kansas...



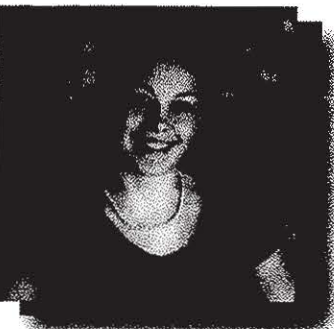
William Patton • Phillipsburg, KS
Student Intern

"High-speed Internet, at least for me and most of my generation, is an absolute necessity. Broadband now connects the world, and without it rural areas will eventually fall out of the loop and die out. Broadband can save rural areas and towns from just being another Podunk town where there is nothing to do, or any good businesses to work for. I'm coming back to rural Kansas because I love the outdoors and the wide open spaces and friendly people. But, if I can't find a good job because no good businesses are here, it's kind of hard to come back. The broadband that Rural Telephone and Nex-Tech are providing is amazing in the fact that only a small percentage of the population has access to as good and as fast as they provide. I want to be in that small percentage. I want to go into the family business of dentistry and, anymore, to stay up-to-date with the latest technology of the business and to provide the best care, you need broadband access."



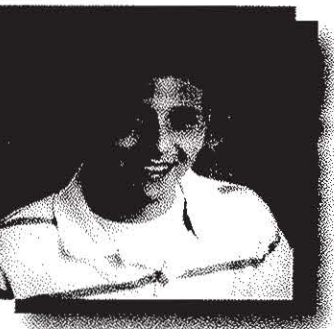
Jill Hertel • Hays, KS
Student Intern

"I think broadband is important because it makes using technology easier and more enjoyable. Instead of waiting for the website to load or my phone calls to connect, I can get all my requests done faster. Since we live in such a high-tech world, having the fastest technology makes our community more advanced and makes me feel like I can do anything, and much quicker. Having broadband from Nex-Tech makes my family and I proud that we live in western Kansas because it's affordable and its better technology! Unlike the other people who feel powerless without broadband, there's no need for complaining about slow speeds any longer."



Haley Graham • Almena, KS
Student Intern

"Fiber is going to make a large difference for young families deciding to move here. Because we can offer broadband, it will be much easier for parents to work from home and watch their kids too. My generation is all about speed and technology and having fiber is going to make the rural Kansas communities much more appealing to youth as they make decisions on where to eventually settle down. I have always loved the small town I've grown up in, but it always seemed behind times with technology. I now feel because we have fiber, we are not up with technology, we are ahead."



Derek Erbert • Hays, KS
Student Intern

"Broadband is important to me because of the capabilities it possesses. The speed, power and limitless possibilities it can perform. Here we are getting broadband in the part of Kansas that no one thinks is important. Well, obviously, it is important. Only a fraction of the United States has access to broadband and WE are getting it. Youth and families all across America are becoming much more technologically-based. Broadband can support that demand for technology not only now but for the future as well."

Nex-Tech service is beneficial to me because my family is very technologically based and Nex-Tech has fulfilled those needs with ease. They always put the customer first and make advances to technology as needed."



Katlyn Baughman • Stockton, KS
Student Intern

"Broadband is important to me because it holds unlimited possibilities. About 75% of my day consists of me using computers, my cell phone and other technology. Broadband allows me to do all of this at a quick pace. Whether I'm talking to friends on Facebook or researching a topic for an essay, broadband allows me to do it at a fast pace without any kind of delay that one might otherwise have with dial-up."



Free broadband to libraries in northwest Kansas...

We recognize that broadband access is vital to leveling the playing field for small, rural communities to compete in today's fast-paced, technology-driven society. While we are doing our best to increase broadband availability across our footprint, we also understand that providing free public-access Wi-Fi connections is critical in order to ensure that every individual—regardless of income—has access to these essential services.

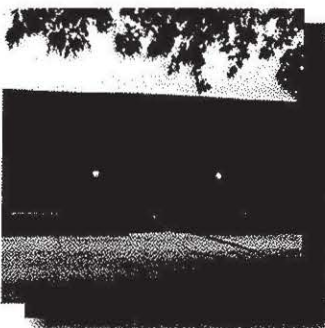


Eric Norris • Hays, KS Library Director, Hays Public Library

"The Hays Public Library provides many services to the community. The Internet service has become one of the most important to our patrons. The public's need for this service and its growth in popularity is evidenced by the dozens of people asking for access to computers each day.

On behalf of the Hays Public Library board of directors and our staff, thank you for making this generous, ongoing, commitment to us and to libraries across the region. With the challenge of meeting tight budgets, the Nex-Tech gift of Internet service is making a positive impact to our bottom line and in the lives of the patrons we serve.

Again, thank you for your generosity and helping us provide more for our community."



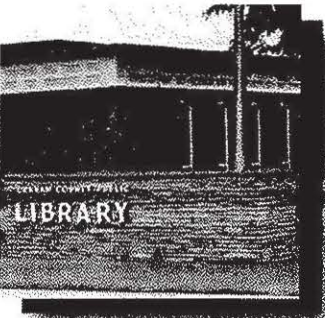
Pam Luedke • Atwood, KS Director, Atwood Public Library

"Our library was very pleased to hear that Nex-Tech is going to provide high-speed Internet service free of charge. So first and foremost, a huge thank you! I have been director at Atwood Public Library since the fall of 1989 and our budget for this year is the smallest it has ever been. The library has slightly better tax funding than in '89 but the library's endowments, like anyone or any entity with investments, have had a dismal performance the last couple of years. What we save on connection fees we can use to upgrade the equipment we have.

Other than our print material, the Internet computers in our library are one of the most popular features we have. Our town had 1,195 people use our Internet computers in 2010. I believe this to be substantial usage as I would say at least 33% of the people in our community have a PC.

Besides local people using our computers, we have individuals visiting our community from out-of-town and out-of-state. Although we don't ask people for what reasons they use our computers, we've been told that Facebook, email, job searching, online ordering and using the State Library of Kansas' databases for research are a few of the usages.

Thanks again, Nex-Tech, for helping libraries to better serve their communities."



Mary Allen • Hill City, KS Graham County Public Library

"On behalf of the library board of trustees and the staff, as well as our patrons, we thank you for your recent offering of free broadband and Wi-Fi connections for our library.

As you are aware, public libraries everywhere today face severe funding difficulties, and it is especially gratifying when local businesses such as yours respond with such generosity. With so many of our patrons thinking of their library as a sort of community living room it is essential for us to be able to provide public access to the Internet.

Again, thank you for this free service for our library."



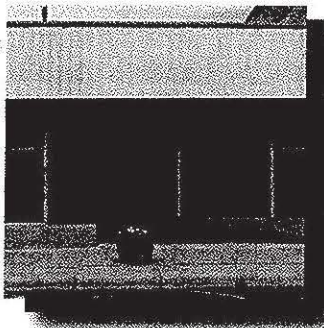
Lenora Public Library and Library Board Members • Lenora, KS

"The Lenora Public Library and the library board members would like to express our appreciation to Nex-Tech/Rural Telephone for extending free broadband and Wi-Fi service to our library. We are a small system on a very tight budget and this will enable us to continue to offer superior service to our community.

While other large telecommunication companies have recently lobbied to cut programs such as KanEd, Nex-Tech/Rural Telephone continues to be at the forefront by providing free broadband Internet and Wi-Fi service to libraries in northwest Kansas.

Again we thank you for your generosity!"





Norma Mullen • Logan, KS

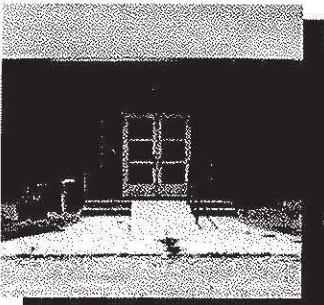
Logan Public Library

"I just wanted to let you know that I reported to the library board about what Rural Telephone is so graciously doing for us. They were pretty excited and so am I. The budget had to be planned pretty closely this year because of the uncertainty of state cuts for libraries. We are very pleased to have that tightness eased off a bit.

Our Internet speed will increase, also! WOW, I already thought it was as fast as any I have seen, but now it will be even faster! I am thrilled—I can get more work done and get books processed faster than ever! Our patrons will be thrilled, too. Using the public computers will be so much fun, with all that need for speed around us—we will fit right in!

The fact that we are a "hot spot" has brought a few folks in to the library already and I think that will only get better as more and more people get familiar with your cute logo on the window and what it means for them.

Thanks so very much for including us in your generous plans for the area that you serve. It is appreciated."



Deb Marshall • Norcatur, KS

Norcatur Public Library

"The Norcatur Public Library is so extremely grateful to have Nex-Tech providing high-speed Internet through a hotspot for our library! For the past few years we used a cell phone as a modem. Being in a small rural community, we didn't really have other options. Our town had no cable, and the only other choice was satellite, which was too cost prohibitive for a small library with limited income. As it was, even with the cell phone modem we paid over \$90 per month for the phone and Internet capabilities. That was very frustrating. When we were able to get the hotspot put in our library this year, we were told that actually it was free! WOW! We were really excited! Since we have had our hotspot with Nex-Tech we have also been upgraded from the 3 Mbps we signed up for to 10 Mbps! We now have super fast Internet capabilities all for FREE! Our limited income can now be spent on better uses such as updating our books, getting our books cataloged, which we couldn't remotely do without good, fast, reliable Internet, and other items to continue to make our library updated and user friendly. All of these changes have helped put our library on the map. We have more patrons using our library and we also provide Inter-Library Loan now. Thanks Nex-Tech and it's FREE Internet to libraries, our library is finally being used and used well!"

